

PROGRESS

an industry update on Home Information Packs

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www.homeinformationpacks.gov.uk



Full roll-out of HIPs announced

The Government today announced the roll-out of Home Information Packs (HIPs) to all properties marketed for sale in England and Wales from 14 December 2007, whatever their size.

Communities and Local Government issued a press release and Ministerial Statement on the full roll-out of HIPs and supporting activity to ensure continued smooth implementation [see end of press release for link to Ministerial Statement]:

GREEN RATINGS TO BENEFIT ALL HOME BUYERS

First time homebuyers will see their upfront costs drop and all home buyers will, for the first time, receive A-G green ratings for their properties which will help cut fuel bills and carbon emissions, with the roll out of Home Information Packs (HIPs) and Energy Performance Certificates (EPCs) announced today.

Buyers whose homes score poor energy ratings of F or G (currently around one-fifth of all homes) will receive an offer of a discount or free help with energy efficiency measures from the Green Homes Service which will be established, helping to save hundreds of pounds off fuel bills, as announced by the Prime Minister this week.

Sixty per cent of the market is already covered by HIPs. The Government has announced the rollout of HIPs and EPCs to the rest of the market from December 14 this year, as the criteria set out for roll out on 11 June have now been met.

House hunters will get detailed information about the energy efficiency of their home with a green rating of A-G, similar to consumer friendly fridge ratings, in an EPC.

The final stage of the roll out follows careful analysis of how HIPs and EPCs have been working in order to maintain their smooth introduction into the housing market.

The extension of HIPs to all properties will particularly benefit first time buyers through a reduction in their upfront costs by not having to pay for a pack, helping them in getting a foot on the housing ladder.

The packs are already beginning to bring benefits to consumers with average property search costs starting to fall with the new competition from HIPs – 85 local authorities have already reduced their charges by £30 on average.

Housing Minister Yvette Cooper said:

"HIPs and EPCs are already helping consumers to save hundreds of pounds off their fuel bills and are cutting search costs too. All home buyers will be able to benefit from energy efficiency advice, with those receiving low green ratings of 'F' and 'G' especially targeted for support and grants to make improvements to cut their costs and carbon emissions."

Early monitoring of the scheme shows the roll out has gone smoothly.

- HIPs are taking on average 7 to 10 days to prepare
- The majority of property, and drainage and water searches, are being delivered promptly within 5 days
- EPCs are being prepared on average within 2 to 4 days
- The average cost of a pack is £300 to £350 – costs which apart from the new information included in the EPC are already part of the home buying and selling process.

The Government has also today published an independent report by Europe Economics on the impact of HIPs on the market. Their report finds no evidence of any impact on transactions or prices, although there is a predicted short term impact on new listings as sellers change the timings of their listings. The report concludes that the impact on listings is short lived and the impact on the market is marginal compared to the wider factors.

The Government also asked Europe Economics and Peter Williams of the National Housing and Planning Advice Unit (NHPAU) to consider whether changing housing market conditions meant we should change the approach to completing the roll out. They concluded that there are strong arguments for rolling out as planned, and further delay could cause greater market difficulties and uncertainties.

The implementation of HIPs so far and the work of the Stakeholder Panel have also highlighted further improvements needed to benefit consumers.

Early monitoring of HIPs has highlighted stakeholder concerns that for some consumers leasehold documents are proving hard to obtain quickly and, in some cases, disproportionate charges are being requested. In the majority of cases we would expect leasehold documents to be readily and easily available as part of HIPs. However, given the higher number of leasehold properties amongst one and two bedroom homes, to ensure a continued smooth roll out we will phase the introduction of leasehold information.

The Government will temporarily amend the HIP regulations so the lease document itself must be included, but other leasehold information will be introduced as a requirement in six months' time.

The Government will also set out other consumer-first measures and will:

- ask Ted Beardsall, Deputy Chief Executive of the Land Registry — and member of our Home Buying and Selling Stakeholder Panel — to advise on what else could be done to improve the provision of leasehold information and the search process.
- publish guidance on access and charging in December for local authorities and personal searchers with the aim of speeding up searches and delivering a fairer deal for consumers.
- extend the temporary first day marketing provisions for an additional five months to allow for full flexibility — from 1 January to 1 June, to ensure continued smooth implementation of HIPs.

The introduction of HIPs is part of a wider programme of reforms to home buying and selling including e-conveyancing and better redress, which aims to provide consumers with a clearer, more transparent and effective service, with better value for money, benefiting all potential homebuyers and helping in tackling climate change.

Our early monitoring shows that implementation has gone relatively smoothly with HIPs taking on average 7-10 days to prepare; the majority of property and drainage and water searches being delivered within 5 days; Energy Performance Certificates (EPCs) taking on average 2-4 days to prepare; average property search costs falling, and thousands of people benefiting from the 200,000 EPCs which have been generated since the summer.

To read the Minister's statement, click [here](#)

To read the Europe Economics report click [here](#)